



***TD 2014/D10W2 - Notice of Withdrawal - Income tax:
does forex realisation event 4 happen to the debtor
under subsection 775-55(1) of the Income Tax
Assessment Act 1997 on repayment of a loan taken
out prior to the effective date of a choice to use the
applicable functional currency and denominated in
the same non-AUD currency that later becomes the
applicable functional currency?***

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 This document has changed over time. This is a consolidated version of the ruling which was published on 26 June 2024



Notice of Withdrawal

Draft Taxation Determination

Income tax: does forex realisation event 4 happen to the debtor under subsection 775-55(1) of the *Income Tax Assessment Act 1997* on repayment of a loan taken out prior to the effective date of a choice to use the applicable functional currency and denominated in the same non-AUD currency that later becomes the applicable functional currency?

1. TD 2014/D10 deals with whether subsection 775-55(1) of the *Income Tax Assessment Act 1997* is satisfied on repayment of a loan obligation which straddles the effective date of an applicable functional choice and which is denominated in the same non-AUD currency as the applicable functional currency.
2. Following comments received as part of the public consultation process for TD 2014/D10, the ATO withdrew the draft Determination on 8 October 2014.
3. We now consider a new draft determination is unwarranted due to insufficient demand. Furthermore, we also now consider that it would not be correct to take the view that forex realisation event 4 does not happen in the circumstances outlined in former TD 2014/D10.
4. We will apply the view that forex realisation event 4 happens in the circumstances outlined in former TD 2014/D10 to gains and losses where the applicable functional currency election is made on or after 12 June 2024.

Commissioner of Taxation
8 October 2014

ATO references

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